(b) if so, Government's reaction thereto;

(c) whether IPCL has engaged M/s. Deloitte, Haskins & Sells to value assets of IPCL, as reported;

(d) if so, the methodology of valuation adopted; and

(e) whether the same is in line with valuation method adopted, so far, for modern Foods, BALCO and others?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes Sir.

(b) The Government has decided to sell 26 per cent of the equity capital in IPCL as a whole to a Strategic Investor alongwith transfer of management control and a commitment of disinvesting at least a further 25 per cent equity. A road map for the further sale of equity would also be drawn up. This process has been commenced.

(c) IPCL had engaged M/s Deloitte, Haskins & Sells, Mumbai to value assets of Vadodara Plant. As explained in reply to (b) above, the decision of the Government is now to disinvest in IPCL as a whole.

(d) and (e) The valuation in disinvestment cases is based on standard valuation methodologies including, *inter-alia,* discounted Cash flow method, Asset valuation method, Balance Sheet method, Transaction Multiple method. In order to ensure uniformity in the procedures of valuation, steps have been taken to standardize valuation methodologies by the Ministry of Disinvestment.

Valuation of IPCL's Baroda unit

753. SHRI DIPANKAR MUKHERJEE:
SHRIMATI CHANDRA KALA PANDEY:

Will the Minister of DISINVESTMENT be pleased to state:

(a) the status of purchase of IPCL's Baroda unit by IOC;

(b) whether the valuation by both the companies are at wide variance;

(c) if so,the norms of valuation used by IOC and IPCL;

(d) whether the same is in line with the norms set by his Ministry;

(e) if so, the details thereof and if not, the reasons therefor; and

(f) the status of disinvestment of IPCL's other units?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) On the ground of synergies between the Vadodara plant of IPCL and IOC, IOC had proposed transfer of Vadodara plant of IPCL to IOC. However, there was a vast difference in perception between IOC and IPCL regarding utilization of certain assets and valuation of the Vadodara complex of IPCL. This difference could not be bridged in spite of prolonged efforts. As a result, IOC's proposal was found not to be a workable proposition.

(c) to (e) The methodology of valuation adopted in disinvestment cases is based on standard valuation methodologies including, *inter-alia,* Discounted Cash Flow method, Asset Valuation method, Balance Sheet method, Transaction Multiple method. In order to ensure uniformity in the procedures of valuation, standardization of valuation methodologies is adopted by the Ministry of Disinvestment.

(f) Since IOC's proposal for transfer of the Vadodara plants of IPCL to IOC was not workable, the Government has decided to Sell 26 per cent of the equity capital in IPCL as a whole to a strategic investor along with transfer of management control and a commitment of disinvesting at least a further 25 per cent equity. A road map for the further sale of equity would also be drawn up. This process has been commenced.

Sale/lease of Ashoka and Samrat Hotels in Delhi

754. SHRI SWARAJ KAUSHAL: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Ashoka Hotel was established by the first Prime Minister of India for hosting foreign dignitaries and their delegation members but Government have decided to sell/lease the said hotel;

(b) whether Government have examined the security aspects as the Ashoka and Samrat Hotels are in close proximity of the P.M. House; and

(c) whether Government have also examined the alternative proposition of hosting foreign dignitaries in other hotels from the view point of their security and hospitality on behalf of the country?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) In terms of the recommendations of the Disinvestment Commission, it has been decided that Hotel Ashok, Delhi alongwith Hotel Samrat Delhi, Hotel Ashok Bangalore and Lalitha Mahal Palace Hotel, Mysore may be given on long-term lease-cum-management contract basis.